

AMENDED IN SENATE APRIL 5, 2010

SENATE BILL

No. 1068

Introduced by Senator Hancock

February 17, 2010

An act to amend Section ~~23363~~ of 23402 of, and to add Section 23363.4 to, the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

SB 1068, as amended, Hancock. Alcoholic beverage control: licensees: distilled spirits manufacturers.

The Alcoholic Beverage Control Act contains various provisions regulating the application for, the issuance of, the suspension of, and the conditions imposed upon, alcoholic beverage licenses by the Department of Alcoholic Beverage Control, including a distilled spirits manufacturer's license and a brandy manufacturer's license. Existing law authorizes each of those licensees that authorizes the licensee to conduct specified activities within the state.

This bill would authorize a licensed distilled spirits manufacturer that distills fewer than ~~50,000~~ 50,000 gallons of spirit annually to exercise the rights and privileges authorized by a brandy manufacturer's license sell distilled spirits to specified licensees and consumers directly, as provided.

The Alcoholic Beverage Control Act provides that a violation of its provisions is a misdemeanor, unless otherwise specified.

This bill, by including provisions that would be subject to those existing criminal sanctions, would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 23363 of the Business and Professions~~
2 ~~Code is amended to read:~~

3 ~~23363. (a) Any licensed manufacturer of distilled spirits~~
4 ~~originally distilled in this State may sell them to any person holding~~
5 ~~a license authorizing the sale of distilled spirits.~~

6 ~~(b) This section shall not apply to distilled spirits manufacturer~~
7 ~~licenses issued after the effective date of the amendment of this~~
8 ~~section enacted at the 1959 Regular Session of the Legislature,~~
9 ~~and this section shall not apply to manufacturers of distilled spirits~~
10 ~~who have not regularly and continuously exercised the privileges~~
11 ~~of this section by sales to retail licensees.~~

12 ~~(c) In addition to the rights and privileges granted by this section,~~
13 ~~any person holding a distilled spirits manufacturer license may:~~

14 ~~(1) Sell brandy to any person holding a license authorizing the~~
15 ~~sale of brandy.~~

16 ~~(2) Exercise the rights and privileges of a holder of a brandy~~
17 ~~manufacturer license, if the person holding a distilled spirits~~
18 ~~manufacturer license distills fewer than 50,000 gallons of spirits~~
19 ~~annually.~~

20 ~~SECTION 1. Section 23363.4 is added to the Business and~~
21 ~~Professions Code, to read:~~

22 ~~23363.4. (a) A licensed manufacturer of distilled spirits that~~
23 ~~distills fewer than 50,000 gallons of spirits annually,~~
24 ~~notwithstanding any other provisions of this division, may also~~
25 ~~exercise the following privileges:~~

26 ~~(1) Sell distilled spirits manufactured at the distillery to~~
27 ~~consumers for consumption off the licensed premises where sold.~~

28 ~~(2) Sell distilled spirits manufactured at the distillery to any~~
29 ~~person holding a license authorizing the sale of distilled spirits.~~

1 ***(b) The privileges authorized by this section shall not be***
2 ***exercised by a licensed manufacturer of distilled spirits that***
3 ***contracts out production of distilled spirits in excess of the***
4 ***50,000-gallon limitation described in subdivision (a).***

5 ***(c) The privilege authorized by this section shall not authorize***
6 ***a licensed manufacturer of distilled spirits to sell distilled spirits***
7 ***manufactured by other licensees.***

8 ***SEC. 2. Section 23402 of the Business and Professions Code***
9 ***is amended to read:***

10 ***23402. No retail on- or off-sale licensee, except a daily on-sale***
11 ***general licensee holding a license issued pursuant to Section***
12 ***24045.1, shall purchase alcoholic beverages for resale from any***
13 ***person except a person holding a beer manufacturer's, wine***
14 ***grower's, rectifier's, brandy manufacturer's, or wholesaler's***
15 ***license, or from a distilled spirits manufacturer licensee exercising***
16 ***the privilege described in paragraph (2) of subdivision (a) of***
17 ***Section 23363.4.***

18 ~~***SEC. 2.***~~

19 ***SEC. 3. No reimbursement is required by this act pursuant to***
20 ***Section 6 of Article XIII B of the California Constitution because***
21 ***the only costs that may be incurred by a local agency or school***
22 ***district will be incurred because this act creates a new crime or***
23 ***infraction, eliminates a crime or infraction, or changes the penalty***
24 ***for a crime or infraction, within the meaning of Section 17556 of***
25 ***the Government Code, or changes the definition of a crime within***
26 ***the meaning of Section 6 of Article XIII B of the California***
27 ***Constitution.***